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PATENT APPLICATION

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re application of	Docket No: A7809
Patrick A. FORTE	
Appln. No.: 09/644,560	Group Art Unit: 3621
Confirmation No.: 2556	Examiner: Daniel L. Greene
Filed: August 24, 2000	
For: FINANCIAL MANAGEMENT SYSTEM	

SUBMISSION OF APPELLANT'S BRIEF ON APPEAL

MAIL STOP APPEAL BRIEF - PATENTS
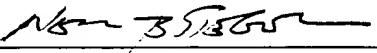Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Submitted herewith please find an original and two copies of Appellant's Brief on Appeal. A check for the statutory fee of $165.00 is attached. The USPTO is directed and authorized to charge all required fees, except for the Issue Fee and the Publication Fee, to Deposit Account No. 19-4880. Please also credit any overpayments to said Deposit Account. A duplicate copy of this paper is attached.

Respectfully submitted,

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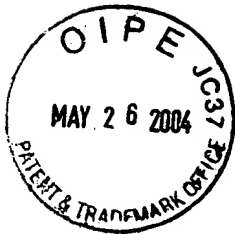
Brief on appeal Under 37 C.F.R. § 1.193
EXPEDITED PROCEDURE
GROUP 3621
PATENT APPLICATION

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BRIEF ON APPEAL

MAIL STOP AF
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Pursuant to 37 C.F.R. § 192 (a), the appellant, Patrick Forte, submits this Brief on

Appeal. A Notice of Appeal was filed on April 2, 2004.

(1) *Real party in Interest*

The real party in interest is the appellant, Patrick Forte.

(2) *Related appeals and interferences*

There are no other appeals or interferences known to appellant, the appellant's

legal representative, or assignee (the application is not assigned) which will directly affect or be

directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) *Status of claims*

This application contains 38 claims. Claims 1-19 have been cancelled. Claims 20 -38 are

pending and are the subject of this appeal. The claims are attached to this brief in the Appendix.

(4) *Status of Amendments*

An amendment under 37 C.F.R.§ 116 was filed on February 23, 2004. By

Supplemental Advisory Action dated April 7, 2004, the Examiner indicated that this amendment

would be entered for purposes of appeal.

(5) *Summary of Invention*

This invention relates to a financial management system employing a unique interaction

between commercial consumer establishments (i.e., stores) and the existing banking structure. At

the store the customer maintains a house account at a particular merchant. This store account is

defined as a "stored value account" (SVA) and as illustrated in Fig. 1 this allows activities to

take place at that consumer level while still requiring that the customer's bank does all clearing

activities and thus has ultimate control over the account. The claimed system thus operates

within the confines of the established regulatory banking structure.

In accordance with this invention a new operation is defined where individuals can

register with and which uses standard batch (non-real-time) Electronic Funds Transfer ("EFT")

Automatic Clearing House ("ACH") transfers coordinated with a new interface to merchant

stored value service. The invention performs automatic batch/overnight purchases/increases of

additional merchant stored value (by automatic EFT ACH transfers from individual's Demand

Deposit Account bank account ("DDA") to the merchant's DDA bank account with a

corresponding notification to the merchant stored value service) and/or decreases of individual's

merchant stored value by automatic EFT ACH transfers from merchant DDA bank account to the

individual's DDA bank account (and corresponding notification of the merchant stored value

system indicating the reduction in value) (See Fig. 1).

The merchant and the merchant stored value service never has access to any privacy

and/or identity information related to the individual. The invention is a new service that supports

preserving anonymity and privacy of individual at merchant locations.

There are existing stored value infrastructures, typified by the gift cards. An individual

may purchase a stored value (which may be anonymous) at a merchant and access it via a

standard stored value card. This however is an isolated activity at the point of sale with amount

being debited from the card and thus no clearing of the transaction at the bank level. In that

regard, the phrase "point of sale" or "point of transaction" is well known and conventionally

defined as the cash register or check-out lane/area where the transaction occurs. These phrases

do not connote generally the entire store or merchant, but rather the specific physical location

within the store where the transaction occurs.

An individual may also have a standard demand deposit bank account (DDA) (See Fig.

2). This invention involves a new service that supports standard EFT ACH transfers between a

standard DDA bank account and a merchant anonymous stored value. The individual registers

with the service, providing the service with their DDA bank information that allows standard

EFT ACH transfers and the necessary details about their merchant stored value. This service

interfaces to existing merchant stored value systems as well as the standard EFT ACH financial network with access to both the merchant DDA account(s) and the necessary customer DDA accounts.

Under proscribed rules specified by the customer at registration time with the invention, the service will perform an EFT withdrawal from the merchant DDA account, an EFT deposit to the customer DDA account and notify the merchant stored value system of the reduction in the individual's stored value at the specific merchant. This results in transferring funds from the individual's merchant stored value to the individuals DDA account without needing to divulge to the merchant identity and/or privacy information about the individual. It is also possible for the service to automatically purchase additional merchant stored value for an individual. The service performs a standard EFT withdrawal from the individual's DDA account and deposits it in the merchant DDA account. It then informs the merchant stored value service of the increase in the value (See Fig. 1).

The invention here allows:

1) automatically transferring funds (in either direction) between existing bank accounts and merchant stored value/gift card accounts,

2) manually initiated transfer of funds (in either direction) between existing bank accounts and merchant stored value/gift card accounts,

3) preserving consumer anonymity at merchant location by not exposing the consumer bank account information in the transaction (whether it is moving funds from the merchant gift card account or moving funds into the merchant gift card account),

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4) is not involved in normal POS merchant transactions which are either existing

bankcard transactions or existing stored value transactions,

5) maintains a list of each customer bank account, each customer stored-value account,

and each merchant bank account,

6) can move value from existing bank account into existing stored-value account, with

the funds being deposited to the merchant bank account and the merchant stored-value

infrastructure being advised as to the change in stored-value balances, and

7) can move value from existing stored value account into existing customer bank

account (with the resulting funds drawn from the merchant account and deposited into the

customer account) with the merchant stored-value infrastructure being advised as to the change

in stored-value balances.

There is no change in the way an individual accesses and/or utilizes their standard DDA

bank account. The invention involves a new service that can be setup to automatically perform

standard EFT ACH withdrawals and deposits for both individual DDA bank accounts as well as

merchant DDA bank accounts. Furthermore, this service is able to notify the merchant's stored

value service as to increases and/or decreases associated with specific stored value amounts.

An important aspect of this invention is that at the point of transaction (or sale), the

customer may use his pay check or other negotiable instrument, pay for goods or services with

the balance credited to his personal merchant stored value account.

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The invention uses the standard banking infrastructure as it is currently used and does

not require regulatory approval. For example, it provides for automatically increasing and/or

decreasing individual merchant stored-value by overnight EFT ACH transfers.

(6) *Issues*

[a] Whether claim 20 is unpatentable under 35 U.S.C. § 102 (e) as being

anticipated by Randle et al (U.S. 6,594,647B1, hereinafter "Randle")?

[b] Whether claims 21 -38 are under unpatentable under 35 U.S.C.§ 103 (a) over

Randle further in view of McKeen et al (U.S. 6,529,880B1, hereinafter "McKeen")

(7) *Grouping of claims*

Claims 21 -38 stand as a group pursuant to the rejection under 35 U.S.C.§ 103.

Claim 30 is the sole independent claim in that group. Appellant contends that these claims do

not stand or fall as a group and that in addition to claim 30, separate grounds of patentability

exist for claims 23, 25, 27, 33 and 38 as a distinct group. Pursuant to 37 C.F.R.§ 192 (c) (7) a

separate argument of patentability for these claims will be presented.

(8) *Argument*

[a]The Rejection Under 35 U.S.C. § 102.

Claim 20 stands rejected as being anticipated by Randle. To anticipate and render claim

20 unpatentable, Randle must affirmatively teach each limitation of claim 20 to one of ordinary

skill. That is, anticipation requires that the claimed invention, to have been known in the prior art

"in the detail of the claim", such that each element and limitation contained in the claim is

present in a single prior art reference, "arranged as in the claim". *Karsten Mfg. Corp. v.*

Cleveland Golf Co., 242 F.3d 1376,1383, 58 USPQ2d 1286 (Fed. Cir. 2001).

Randle does not contain any affirmative disclosure of a point of deposit in a unique

merchant level account maintained at a commercial institution, such as a retail store, as opposed

to a bank.

Claim 20 defines:

> Means for allowing a customer to access his *individual program account*, the individual program account being an account representing an array of accounts that have been individually selected by the customer from the totality of the accounts and including at least one *stored value account for a merchant*,
> (emphasis added)

Randle does not anticipate since there is no affirmative disclosure of a second account

located at the merchant level, that is a stored value account as set forth in claims 20. That is,

Randle does not utilize any stored value system at the merchant level.

The Examiner errs by equating the merchant to a bank and concludes that this entity, the

merchant, provides services of its own and provides means to conduct transactions with other

merchants be they the consumer's bank or other merchants. (Action, p. 2, #4).

The Examiner holds that both the customer stored value account and the merchant stored

value account are effectively prepaid accounts that are neither unique nor original. (Action, p. 3,

#5). The Examiner then concludes, "maintaining that a merchant, other than a bank, that

conducts the normal functions associated with a bank is unique and original obfuscate the fact

that when a merchant is performing the function associated with and inherent to a bank, it is in

fact no different than a bank." (Action pp.2-3).

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These holdings are factually incorrect and form the basis of reversal of the rejection under 35 U.S.C. § 102. A reference anticipates only if it enables one skilled in the art to make and use the claimed invention. *Bristol-Myers Squibb Co. v. Ben Venue Laboratories, Inc.,* 246 F.3d 1368, 1374 (Fed. Cir. 2001). See also, *Teleflex, Inc. v. Ficosa North America Corp.,* 299 F.3d 1313, 63 USPQ2d 1374 (Fed. Cir. 2002).

It is respectfully submitted that the artisan reading Randle would have no difficulty discerning the difference between a bank and a merchant and would certainly understand the different functions each perform in the context of the Randle system. The Examiner has reverse – engineered Randle to make it conform to the claims and that is improper.

Claim 20 does not "obfuscate", using the Examiner's term, but rather defines a system in which certain operations are performed at the merchant level and others at the bank level. The Examiner is not allowed to take the disclosure of Randle and in essence "re-label" the merchant and hold that it is the "bank". This alone is plainly contrary to the teachings of the reference itself. Secondly, the attempted match of elements to claim 20 is defective.

First, Randle unambiguously establishes the difference between the respective banks serving the customer and merchant and the actual merchant. See Figures 1A, 1B, 2, 3A, 3B, 3C, 4, 5A, 5C, 6A, 6B, 6C. There can be no confusion between those defined entities and certainly no cross-over or interchangeability between them. The bank is the bank at one level, and the merchant distinctly different and operating at a different level.

The first crucial difference between claim 20 and Randle, is that while the reference defines certain functions as performed at the physical location of the merchant, the merchant does not perform any banking functions.

The claim defines the establishment and use of "at least one stored value account for a merchant". This is maintained at the merchant level. The interface between this merchant maintained account and the bank function "to credit" as instructed by the merchant to the customer's demand deposit account "at a bank" specifically delineate the difference between merchant assigned accounts and those at the bank.

Claim 20 specifically provides:

Means to support a customers' transactional interchange of said *individual program account* including access to a *stored value account* having been pre-authorized by a customer to settle transactions.
(emphasis added)

Randle does not anticipate for this further reason. The Examiner (Action p. 5) assigns Col. 11 lines 20-65 and Col 12, lines 1-10 as disclosing the first "means" which as claimed includes "at least one stored value account for a merchant". Randle does not support that conclusion. Col. 11 does define a plurality of different customer accounts assessed by the "BITS card" but none are a stored value account maintained by the merchant. Col. 12, including the first several lines of claim 1 of Randle, is similarly deficient. Any "stored value" is maintained by the customer bank, and deposits to those accounts are by ATM in which the merchant is totally not involved (other than placement of the ATM physically at the merchant).

The Examiner also concludes that Randle discloses the "means to support a customers' transactional of said individual program account including access to a stored value account..." relying on Col. 3, lines 53 –67 (Action. 5). That portion of Randle discloses the functions of a central processing unit but there is no teaching or suggestion of the functions summarized there to include access to any stored value account that exists at the merchant level. Indeed the remainder of Randle which details the operation of his system compel the conclusion that nowhere does Randle recognize or teach a merchant – as opposed to a bank – stored value account.

The disclosure in Col. 7, lines 28 – 67 to Col. 8, line 40 illustrates that the stored value, i.e., availability of funds, is maintained at the bank. Likewise, deposits to those accounts are at a bank terminal, i.e., at an ATM, as opposed to at the point of sale (claims 23 and 25).

Basically, Randle is directed to individuals doing real time operations with their bank account using standard banking infrastructure. It is in essence a "smart card" system allowing debiting of multiple accounts from a customer's bank account. See Col. 8, line 52 et seq and Fig. 5.

Appellant claims a novel and different system where the customer maintains a house account at a particular merchant. This store account is claimed as a "stored value account" in which activities take place at the merchant level. Randle does not define that account except one established by the customer's bank. The claimed system in contrast operates within the confines of the established regulatory banking structure by having account settlement occur at the bank level.

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Randle does not anticipate claim 20 for any one of these reasons and this rejection should be reversed.

[b] The Rejection Under 35 U.S.C. § 103

Claims 21-38 stand rejected as obvious over Randle in view of McKeen. In essence, the Examiner concludes that it would have been obvious to provide the real time bank centric payment system of Randle with a plurality of stored value accounts maintained at the merchant /customer level. The Examiner offers as a rationale that such would expedite and simplify the transaction between the customer and the merchant. This rejection is factually flawed and should be reversed.

First, it is noted that the proposed combination would complicate rather than simplify the system of Randle. The "Smart card" system offers to the merchant an efficient means of completing transactions without establishing any individual stored value accounts at the merchant level. The customer simply uses one card in place of many to charge his purchases. Such a system has no need for and cannot access a locally set up stored value account as such would be meaningless. The customer purposely seeks to eliminate multiple credit cards and multiple valued accounts for the sake of having one card used at multiple stores debited. There is no stored value at the customer level at each individual merchant – that is specifically what the smart card avoids.

Consequently, the proposed combination complicates rather than simplifies, makes more cumbersome, and rather than expedite and would not have been an obvious modification of Randle in view of McKeen. The Examiner cannot point to any affirmative suggestion in either

reference for the proposed modification and certainly none surfaces given the teachings of

Randle, taken as a whole.

McKeen describes a method of translating an RFID identification into a standard ATM

transaction (either offline or online). In a standard ATM transaction, the consumer has a

magstripe or chipcard that is used to authenticate the transaction. The transaction is then

transmitted to the bank in real-time (online debit) or in batch at a later time (offline debit).

McKeen describes a method where an RFID chip is used in place of a standard debit card

and the merchant maintains a local database that translates an RFID identification into a standard

bank financial transaction. McKeen describes a mechanism for doing a standard payment card

transaction using an RFID chip in place of a standard financial institution magstripe or chipcard

that is processed through a new intermediary instead of existing financial clearinghouse.

[1] Independent Claim 30

Turning first to the independent method claim, the Examiner's reliance on Randle is

again traversed. The Examiner considers it obvious to merely substitute the terminology used in

Randle defining accounts for that used by the applicant. The rejection does not identify any

particular differences and discounts the claim definition of "stored value account".

Claim 30 is a method claim requiring first the steps of establishment of four different

accounts. The first three of these accounts are customer accounts. The first claimed "stored

value account" is defined in claim 30 as within the claimed customer individual program

account. The stored value account is therefore a part of a greater account, "a customer

individual program account." Claim 30 defines "establishing a merchant stored value account." This is the account at the merchant level.

The claimed invention, in the establishment of the respective accounts, therefore limits the first stored value account as a part of the customer individual program account and the second stored value account at the merchant.

The claim then defines the step of a transaction between the consumer and the merchant. This transaction is not directly between the consumer and his bank. It is not a transition directly between the merchant and his bank or the merchant and the consumer's bank. Rather, the claimed transaction occurs at the merchant – consumer level. The claim as a whole therefore limits the stored value account as one accessed at the consumer- merchant level.

While the Examiner has paraphrased the language of claim 30, contending it is practiced in Randle, or rendered obvious over Randle, there is nothing in the reference that teaches or suggests the establishment of the three different customer accounts as claimed – in fact there is nothing equivalent to those accounts. And more importantly there is nothing in Mckeen disclosing such accounts or their use in a system operating at the merchant level, as claimed.

In greater detail, McKeen describes a method of translating an RFID identification into a standard ATM transaction (either offline or online). In a standard ATM transaction, the consumer has a magstripe or chipcard that is used to authenticate the transaction. The transaction is then transmitted to the bank in real-time (online debit) or in batch at a later time (offline debit).

McKeen defines a standard payment card transaction using an RFID chip in place of a standard financial institution magstripe or chipcard that is processed through a new intermediary instead of existing financial clearinghouse. McKeen defines an intermediary providing the mapping of RFID chips to bank accounts. The financial intermediary of McKeen receives a transaction with RFID identifier and merchant identifier, translates that into a standard payment card transaction.

The specific portion of Mckeen relied on by the Examiner, Col. 7, lines 25 –35 describes accounts maintained by the bank, not the merchant. Clearinghouse computer 60 is at the bank level (See. Fig. 1) and the billing through the clearinghouse computer is via the bank not the merchant. Mckeen does not establish the accounts defined by claim 30 and thus does not compensate for the plain deficiency of Randle.

Also, Mckeen, leads directly away from the claimed method. Mckeen would instruct the establishment of accounts at the central bank level and not the merchant. Mckeen does not instruct that an account within an account be established on the customer side. Mckeen does not instruct or suggest establishing a separate merchant stored value account or anything performing the same function as claimed.

The Examiner's error with respect to claim 30 is highlighted by his conclusion concerning providing "the real time bank-centric universal payment system of Randle '647." Claim 30 is merchant –centric not bank - centric. By its claimed requirement, the transaction is executed "between said customer and said merchant".

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That claimed transaction affects the balances between three accounts, two of the customer and one of the merchants. It is respectfully submitted that there is no defined step in either Randle or McKeen in any way suggestive of that claimed or which renders the claim as a whole obvious in the practice of anything similar to the claimed steps.

In the claimed invention, there is no change in the way an individual accesses and/or utilizes their standard DDA bank account. The invention involves a new service that can be setup to automatically perform standard EFT ACH withdrawals and deposits for both individual DDA bank accounts as well as merchant DDA bank accounts. That is the substance of the method claims. Furthermore, this service is able to notify the merchant's stored value service as to increases and/or decreases associated with specific stored value amounts.

At the point of transaction, the customer uses his paycheck or other negotiable instrument; to pay for goods or services with the balance credited to his personal stored value account. Neither Randle nor McKeen nor any combination renders this feature obvious.

The holdings by the Examiner as to other claims, confirm that the analysis is distinctly hindsight based, an indication of a flawed approach to obviousness. The Examiner must first correctly define the scope and content of the prior art as a predicate for any analysis of the differences between that prior art and the claims. While this group of claims is predicated on the allowance of claim 30 the appellant provides here further evidence of factual errors by the Examiner in his determination of the scope and content of the prior art.

For example, as to claim 21, the Examiner concludes that it would have been obvious to provide the real time bank centric payment system of Randle with a plurality of stored value

accounts maintained at the merchant /customer level. The Examiner offers as an unsupported

rationale that such would expedite and simplify the transaction between the customer and the

merchant. Contrary to the Examiner's conclusion, Randle does not disclose any stored value

accounts. As pointed out, that the proposed combination would complicate rather than simplify

the system of Randle. This argument was not and is not now a traversal based on attacking the

references individually, as the Examiner concluded (Action p. 3). Rather, the rational offered by

the Examiner as a reason for combination is unworkable and would be rejected by one of

ordinary skill.

Consideration of the "Smart card" system of McKeen shows clearly the Examiner's error.

McKeen offers to the merchant a means of completing transactions without establishing

individual stored value accounts. The customer simply uses one card in place of many to charge

his purchases. Such a system has no need for and cannot access a locally set up stored value

account as such would be meaningless. The customer purposely seeks to eliminate multiple

credit cards and multiple valued accounts for the sake of having one card used at multiple stores

debited. There is no stored value at the customer level. Consequently, both references lead

away from and do not support the proposed combination which complicates rather than

simplifies, makes more cumbersome rather than expedites and would not have been an obvious

modification of Randle in view of McKeen.

The Examiner relies on Col. 5, lines 35 –67 for claim 24 but there is no disclosure in that

portion of Randle of any conversion of value between different accounts in one individual

program account. The portion of Randle relied on by the Examiner describes the transfer of

funds between buyer and seller accounts. In contrast, claim 24 defines allocation of value

between two of the customer accounts within one individual program account.

Finally, Col. 8, lines 1 –19 does not support the rejection of claim 29. That portion of

Randle deals flow of information between the merchant and customer banks to generate invoices

-bills for approval and payment by the customer. That is not claim 29. This claim defines the

customer instructing the merchant to move funds from the stored value account – maintained at

the merchant level – for the purpose of crediting the customer's demand deposit account. This is

totally different from Randle.

These points highlight the factual error by the Examiner in considering the scope and

content of the prior art. Such provides a basis to evaluate the methodology employed by the

Examiner in concluding that the claims are obvious.

[2] Dependent Claims 23, 25, 27, 33 and 38.

These claims share a common trait in that they all deal with the handling of negotiable

instruments, such as checks. They form a separate and distinct basis of patentability both in

terms of structure and methodology by the handling of a "cash-like" vehicle. This attribute of

patentability is set forth in the specification, beginning on page 8, second full paragraph.

Claim 23 defines "a plurality of point of sale terminals by which a customer may convert

the value of a negotiable instrument to a customer's stored value account." The Examiner

ascribes to Randle this structure, relying on Col. 7, lines 28 –45. This holding is in error. There

is nothing in Randle and specifically in Col. 7 that describes a structure where the customer may

take a negotiable instrument (i.e., a check) and at the point of sale deposit the value into the

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customer's stored value account. The portion relied upon by the Examiner defines real time debits using accounts at the bank. There is no disclosure of deposits into the customer's stored value account. Specifically, Randle does not in any way deal with a deposit being made at the merchant location at a point of sale terminal. This would be the check-out lane or counter. Claim 23 is non-obvious given the total lack of disclosure in Randle. McKeen is no more relevant and not relied upon by the Examiner *vis-a- vis* this claim.

Claim 25 is properly defined by the Examiner (Action. p.8), but there is nothing in Randle and particularly in Col. 10, lines 44-67 describing this limitation. Col. 10, verifies the validity of the credit card (BITS). This is not a negotiable instrument – a check. An artisan, in fact, any consumer would understand and appreciate the difference between a credit card and a check. They are plainly very different tools. Claim 25 deals with the verification of a check presented by the customer to the merchant. This could be a personal check, payroll check or the like. The act of check verification is plainly different from that of authorizing the use of a credit card.

Claim 27 amplifies this difference. If a negotiable instrument is presented to the merchant, the merchant may credit the value to the stored value account. The Examiner relies on Col. 9, lines 17 – 50 but there is nothing in that portion of Randle describing crediting any stored value account by the merchant. This portion of Randle describes the opposite, the payment of a purchase by verifying that sufficient funds exist. The account is debited not credited. Further, the account in question is at the customer's bank (See, Col. 9, lines 25 –32) not a stored value account at the merchant level.

Likewise, the reliance on Col. 11, lines 20-30 does not support the rejection of claim 28. This claim allows the customer to use value contained in the stored value account to credit or debit other accounts in the individual program account. The portion of Randle relied on by the Examiner defines no more than the use of a single card (BITS) as a card common to multiple accounts. It says nothing about moving value between those accounts coming from a stored value account.

Claim 33 is patentable for the same reason claim 23 is patentable. There is nothing in Col. 11, lines 30-45 (as well as Col. 7, lines 28-45) that deals with the use of a negotiable instrument to alter balances at the point of sale. That an ATM is present at the merchant – inside the store or outside on the street – is not the point of sale. That is conventionally the actual location of the sale, that register or terminal. The ATM in Randle is not the merchant point of sale. More importantly, Randle does not define the ATM as used to alter customer stored value accounts maintained at the merchant level.

The same is true for claim 38. In contrast to the holdings by the Examiner concerning the corresponding disclosure of Randle, upon close examination there is nothing in common between Randle and the claimed steps.

These dependent claims are thus separately patentable.

Conclusion

For the reasons stated, each of the rejections lack an appropriate factual predicate. The rejection under 35 U.S.C. § 102 cannot be affirmed since Randle does not disclose each and every limitation. The rejections predicated on obviousness cannot be sustained since the prior art

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is deficient with respect to a number of limitations and does not the necessary suggestion for the

modifications the Examiner deems to be obvious.

The rejections should all be reversed.

The USPTO is directed and authorized to charge all required fees, except for the Issue

Fee and the Publication Fee, to Deposit Account No. 19-4880. Please also credit any
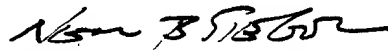
overpayments to said Deposit Account.

Respectfully submitted,

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Date: May 26, 2004

APPENDIX

LISTING OF CLAIMS ON APPEAL

Claims 1-19. (canceled).

20. (previously presented): A financial transaction network for facilitating direct management of financial assets for customers in individual program accounts, comprising:

means allowing a customer to access his individual program account, the individual program account being an account representing an array of accounts that have been individually selected by the customer from the totality of the accounts and including at least one stored value account for a merchant,

a host processor for executing transaction instructions and maintaining individual program account information, said host processor including a database for maintaining individual program account transactions and records,

means for establishing and maintaining a plurality of customer individual program accounts and,

means to support a customers' transactional interchange of said individual program account including access to a stored value account having been pre-authorized by a customer to settle transactions.

21. (previously presented): The financial transaction network of claim 20 further comprising, means to support a plurality of stored value accounts maintained by a merchant for a plurality of customers each having an individual program account.

22. (previously presented): The financial transaction network of claim 20 further comprising, means to support a plurality of demand deposit accounts maintained by a plurality customers in a federally-insured banks as a component of an individual program account.

23. (previously presented): The financial transaction network of claim 21 further comprising, means to support, at a merchant locations, a plurality of point of sale terminals by which a customer may convert the value of a negotiable instrument to a customer's stored value account.

24. (previously presented): The financial transaction network of claim 20 further comprising, means to support an array of mechanisms by which customers may convert value from one account in their individual program account to another account in the same individual program account.

25. (previously presented): The financial transaction network of claim 23 further comprising, means enabling said merchant to utilize point of sale terminals to access services to verify a check presented by a customer to the merchant.

26. (previously presented): The financial transaction network of claim 20 further comprising, means for establishing a merchant demand deposit account and providing said merchant access to that same merchant demand deposit account.

27. (previously presented): The financial transaction network of claim 23 further comprising ,means enabling said merchant to credit to a customer's stored value account by an amount based on the value of a negotiable instrument presented to the merchant by the customer.

28. (previously presented): The financial transaction network of claim 21 further comprising means enabling a customer to access their stored value account to credit or debit other accounts in their individual program account.

29. (previously presented): The financial transaction network of claim 21 further comprising means enabling a customer to utilize the value in the customer's stored value account and instruct the merchant to credit the customer's demand deposit account at a bank with funds from said merchant's demand deposit account.

30. (previously presented): A method of consumer transaction comprising the steps of: establishing a customer individual program account which includes at least one customer stored value account,

establishing a customer demand deposit account,

establishing a merchant stored value account, and

executing a transaction between said consumer and said merchant affecting the account balances

in said customer stored value account, said customer demand deposit account and said

merchant's stored value account.

31. (previously presented): The method of claim 30 further comprising, the step of pre-

approving withdrawals from either a customer stored value account or a customer demand

deposit account.

32. (previously presented): The method of claim 30 further comprising, the step of

establishing accounts within said individual program account.

33. (previously presented): The method of claim 30 wherein said step of executing a

transaction comprising the step of presenting a negotiable instrument at a point of sale at said

merchant, to credit or debit account balances.

34. (previously presented): The method of claim 30 further comprising the step of

providing customer access to the customer demand deposit account and said customer individual

program account accounts to convert balances from one account to another account.

35. (previously presented): The method of claim 30 further comprising the step of providing merchant access to the merchant stored value account to convert a balance to said customer demand deposit account.

36. (previously presented): The method of claim 30 further comprising, the step of establishing a merchant demand deposit account.

37. (previously presented): The method of claim 36 further comprising, the step of converting a balance from said merchant demand deposit account to said customer demand deposit account.

38. (previously presented): The method of claim 31 further comprising, the steps of said customer presenting a negotiable instrument at a point of sale at said merchant, acceptance of the negotiable instrument by the merchant, crediting a corresponding value corresponding to the negotiable instrument to the customer stored value account and paying for the purchase of goods from said merchant.